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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 001853

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E.O. 12958: DECL: 08/14/2017

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SUBJECT: DPP PRESIDENTIAL CANDIDATE FRANK HSIEH PICKS
FORMER PREMIER SU TSENG-CHANG AS RUNNING MATE

Classified By: AIT Deputy Director Robert S. Wang,
Reasons: 1.4 (b/d)

¶1. (C) Summary: DPP presidential candidate Frank Hsieh announced on August 15 that former Premier Su Tseng-chang has agreed to be his vice presidential running mate. Although Hsieh had strongly hinted at this outcome for several days, Su's agreement came only at the last minute after much difficult lobbying, the difficulty reflecting intra-party divisions stemming from the party's contentious presidential and legislative primaries. Hsieh did not allow his personal preference for former acting Kaohsiung Mayor Yeh Chu-lan to deflect basic political calculations. Su will strengthen the ticket, especially with moderate swing voters and in populous Taipei County where Su served as a popular county magistrate. Hsieh will also need Su's substantial support base within the DPP in order to unify the party ahead of the presidential election next March. Yeh Chu-lan will play a major role in Hsieh's campaign and has expressed full support for the Hsieh-Su ticket. According to media reports, Su will return to Taipei from the U.S. early on Saturday, August 18, in time for a meeting with President Chen and Hsieh ahead of President Chen's upcoming trip to Central America. End Summary.

¶2. (C) DPP presidential candidate Frank Hsieh announced late in the afternoon on August 15 that former Premier Su Tseng-chang would be his vice presidential running mate.

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This announcement, made upon return from Hsieh's trip to Singapore and Indonesia, did not come as a surprise because over the past several days Hsieh told the press first that he had invited Su to be his running mate and then that Su had responded in a positive way, though he had not yet made a final decision. Su finally accepted Hsieh's invitation to be his vice presidential running mate in a late evening telephone conversation on August 14. In discussions with AIT, close Hsieh advisor and TECRO Council Member Corey Chen stressed the difficulty of bringing Su on board. Hsieh's recent comments to the press were intended to give Su both "face" and "pressure," Chen noted, but Su had seemed annoyed at being pressured to respond to the August 15 deadline set by Hsieh. Chen also noted that, contrary to press reports, Su could have returned from the U.S. in time for the rally originally planned for the evening of August 15. (Note: This

rally is now planned for two weeks later, with specific date and venue yet to be decided. End Note.)

13. (C) The selection of Su as running mate ends months of speculation over whether the nod would go to Su or to former Vice Premier and former acting Kaohsiung Mayor Yeh Chu-lan. While Hsieh enjoys excellent relations with Yeh, his relations with Su, rocky to begin with, were further damaged by harsh attacks the two camps hurled at each other during their contentious presidential primary contest last May. Although Su bowed out of the primary race gracefully, he resented what he called Hsieh's "trickiness" in winning the party member vote. Also during the legislative primaries, many Su supporters, including ones from the moderate New Tide faction, were defeated by more aggressive rivals from Hsieh's camp. Friction between supporters of the two contenders has hurt Hsieh-Su relations, though Hsieh has taken some initial steps to recruit disaffected Su supporters, for example, appointing outgoing LY member Bikhim Hsiao as his international spokesperson.

14. (C) President Chen strongly promoted Su as vice presidential candidate over the past several months, while Hsieh kept the issue open but made clear his personal preference for Yeh Chu-lan. After Yeh publicly underscored her wish to be Hsieh's running mate, Su indicated he wanted his name withdrawn from consideration and then departed for the U.S. on July 29 together with his family. A day before leaving for the U.S., Su privately told DPP Legislative Yuan caucus whip Wang Tuo that he would not accept the vice presidential nomination. Although Wang urged Su to keep an open mind, Su was insistent. However, Wang observed to AIT, Su is a politician and therefore he would have to go along if society demanded that he become the DPP vice presidential candidate.

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15. (C) On his decision to go with Su rather than Yeh, Hsieh explained to Corey Chen that "the woman you marry is not necessarily the woman you love." Chen explained that Hsieh picked Su rather than Yeh for practical political reasons. Although Yeh, widow of the famous independence activist Cheng Nan-jung, appeals to Deep Green supporters, she raises concerns among the moderate swing voters Hsieh will need to win the election. In addition, Su adds polling points to the Hsieh ticket, which Yeh does not do. Global Views Survey Research Center Director Tai Li-an recently told AIT that including Su as vice presidential candidate adds seven percent to Hsieh's poll numbers. Even among Hakka and women, two groups who should be expected to support Yeh, Su outpolls her, Tai said, explaining that Hakka voters tend to be conservative and are therefore reluctant to support Yeh, who has a radical image. (Note: Traditionally, the Hakka tend to support the KMT rather than the DPP. End Note.) Recently, Hsieh commented publicly to a Hakka group that Yeh had not added anything to his numbers in polls he had conducted in Hualien and Hsinchu, the latter a Hakka area. Hsieh told the group it would be meaningless for him to team up with Yeh if they could not win the election. Another key factor behind a Hsieh-Su ticket is the need to restore party unity in the runup to the presidential election next March, unity having been seriously damaged by contentious presidential and legislative primaries.

16. (C) In theory, Yeh Chu-lan, a Deep Green Hakka woman from Miaoli, complements Hsieh, a moderate Taiwanese man from Taipei. By contrast, Su and Hsieh overlap, both being moderate and both having political experience in northern and southern but not central Taiwan. However, Yeh cannot match Su as a political heavyweight in the DPP, and she has no significant support base of her own, several contacts have told AIT. Su, on the other hand, has a very substantial support base in the New Tide faction and its allies and he also enjoys strong support from President Chen. Known for his disciplined work style, demands on his staff, and ability

to get things done, Su was quite popular as premier and earlier as magistrate of Pingtung and Taipei Counties. His 2001 reelection victory by more than 50,000 votes in Blue-majority Taipei County was especially impressive. In the presidential election, Hsieh will hope to capitalize on Su's popularity in Taipei County, Taiwan's most populous district, to reduce the KMT advantage in northern Taiwan.

17. (C) Hsieh and Su are both very strong campaigners, who know how to work with supporters and to stir crowds at campaign rallies. While Hsieh tends to come across as an intellectual, common people can identify more easily with Su. Hsieh and Su may need time to develop a good working relationship, and friction between their supporters could be a problem. Corey Chen expects New Tide faction members to demand promises of jobs in a future Hsieh administration in return for their support during the presidential campaign. Chen noted that the New Tide faction is especially strong in Taichung in central Taiwan, which will be an important battleground zone during the upcoming presidential election. Although most observers have been positive about a Hsieh-Su ticket, Deep Green elder Koo Kwang-ming suggested that Su was overqualified for a position without much responsibility.

18. (C) Although disappointed that she will not be representing the Hakka minority in the upcoming election, Yeh Chu-lan will play a major role in the campaign of Hsieh, who has assigned an entire floor at his campaign headquarters for use by Yeh and her team. If Hsieh is elected, he plans to appoint her as Taiwan's first woman premier, a plan she is doubtless aware of. Corey Chen stressed to us that Hsieh will need to spend time with Yeh and hopefully also Su traveling to Hakka communities to explain to grassroots supporters that Hsieh, Su, and Yeh are a team working for Hakka interests. Su, though Taiwanese, is also fluent in the Hakka dialect, which will help smooth relations with a Hakka base likely to be disappointed that the Hakka Yeh was not chosen to be the vice presidential candidate. Corey Chen was unable to confirm media speculation that Yeh could be a candidate now for the current Presidential Office Secretary

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General vacancy, but he pointed out filling this position would be decided by President Chen, not Hsieh.

Comment

19. (C) With reference to our bilateral relations, both Hsieh and Su have stressed the need for Taiwan's leaders to strengthen communication with the U.S. and take U.S. interests into account as they formulate policies in sensitive areas. Both are pragmatic and they are relatively moderate on cross-Strait relations, favoring greater economic opening, for example. The Hsieh-Su ticket is likely to eschew the most radical proposals from the Deep Green base and is expected to pursue a moderate campaign line calculated to appeal to swing voters in the middle of the political spectrum.

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